

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	EB Docket No. 07-147
)	
PENDLETON C. WAUGH, CHARLES M.)	File No. EB-06-IH-2112
AUSTIN, and JAY R. BISHOP)	NAL/Acct. No. 200732080025
)	
PREFERRED COMMUNICATION)	FRN No. 0003769049
SYSTEMS, INC.)	
)	
Licensee of Various Site-by-Site Licenses)	
in the Specialized Mobile Radio Service)	
)	
PREFERRED ACQUISITIONS, INC.)	FRN No. 0003786183
)	
Licensee of Various Economic Area Licenses)	
in the 800 MHz Specialized Mobile Radio)	
Services)	

To: The Honorable Judge Arthur I. Steinberg

RESPONSE BY PREFERRED ACQUISITIONS, INC.
TO REQUEST FOR PRODUCTION OF DOCUMENTS

Preferred Acquisitions, Inc. ("PAI"), by its attorneys and pursuant to Section 1.325 of the Commission's Rules, hereby responds to the First Request for Production of Documents to Preferred Acquisitions, Inc. ("Document Request"), filed October 15, 2007 by the Enforcement Bureau ("Bureau") herein.

General Objections.

A. Previously-Produced Documents

PAI objects to having to identify or produce any document whatsoever that was previously produced to the Bureau pre-designation. Bureau counsel already possesses these documents, and is at least as capable as PAI's counsel in determining whether any such documents are relevant and material. There is nothing in the Commission's rules which obligates a hearing respondent to perform the Bureau's investigative functions for it. This objection applies to each and every document request.

B. Publicly Available Materials in FCC Files.

PAI also objects to every request to identify or produce copies of FCC applications or other documents on file with the FCC (such as, for example, filings in rulemaking proceedings) and matters of public record at the FCC, such as FCC decisions. The Bureau can review such publicly available materials already. It would be unduly burdensome and unfair to require PAI's counsel to have to sift through such materials, at PAI's expense, to determine which ones might be of interest to the Bureau. This objection applies to each and every document request.

C. Documents Created Post-Designation.

Finally, PAI objects to every request, to the extent such request seeks to have PAI identify or produce any document which was created after the release of the *Hearing Designation Order* herein. Aside from the fact that doing so would be unduly burdensome, most if not all such documents were prepared in anticipation of this litigation, and would consist almost entirely of either privileged information or attorney thought processes (*i.e.*, work product). To the limited extent that any such post-designation document might repeat information also contained in one or more pre-designation documents or discovery responses, it is duplicative, and the Bureau has no need to see it.

Specific Answers and Objections.

1. *All formation and organizational Documents relating to PAI, including, but not limited to, articles of incorporation, by laws, minutes of corporate meetings, appointment or dismissal of directors, issuance or reclassification of stock, employee compensation, sale of major assets, dissolution, agreements, voting rights, proxies, and any and all amendments thereto.* These documents have been requested from corporate counsel to Preferred Communications Systems, Inc. ("PCSI") in Texas, and will be made available when received.

2. *All Documents relating to the participation, of any kind and to any extent whatsoever, of Pendleton C. Waugh in the formation and/or operation, day-to-day and otherwise, of PAI.*

PAI objects to this request as overbroad and unduly burdensome. On its face, this request could

pertain to virtually every document ever created pertaining to PAI. See, also, the general objections above. Notwithstanding the general objections, documents which are not subject to the foregoing objections and which PAI believes to be responsive to this request are being produced, and are available for inspection at the offices of PAI's counsel herein. PAI is continuing to search for documents responsive to this request. If additional documents are located and identified, they will either be produced, or, if withheld based upon a claim of privilege, work product doctrine or otherwise, would be identified by (if known) author, recipient(s), date, title and type of claim.

3. *All Documents that Pendleton C. Waugh signed or executed on behalf of PAI.* Mr. Waugh never signed any binding instrument on behalf of PAI. Otherwise, PAI objects to this request as vague, overbroad and unduly burdensome. On its face, this request seeks every single document ever generated by Mr. Waugh over a ten-year period that even mentioned PAI. Notwithstanding these objections, documents authored by Mr. Waugh that pertain to PAI and which PAI believes to be responsive to this request and not subject to the general objections are being produced, and are available for inspection at the offices of PAI's counsel herein. PAI is continuing to search for documents responsive to this request. If additional documents are located and identified, they will either be produced, or, if withheld based upon a claim of privilege, work product doctrine or otherwise, would be identified by (if known) author, recipient(s), date, title and type of claim.

4. *All Documents relating to voting interest or future voting interests in PAI.* See response to request no.1 above. See, also, the general objections above. Notwithstanding these objections, documents which PAI believes to be responsive to this request and not subject to the general objections are being produced, and are available for inspection at the offices of PAI's counsel herein. PAI is continuing to search for documents responsive to this request. If additional documents are located and identified, they will either be produced, or, if withheld

based upon a claim of privilege, work product doctrine or otherwise, would be identified by (if known) author, recipient(s), date, title and type of claim.

5. *All Documents relating to the issuance or future issuance of shares of stock in PAI.*

See response to request no.4 above.

6. *All Documents relating to trusts for the issuance or future issuance of shares of stock in PAI.* There are no such documents.

7. *All Documents relating to the issuance or future issuance of financial interests of any kind (other than shares of stock) in PAI.* There are no such documents.

8. *All books of accounting, including payroll records, for PAI.* There are no such documents.

9. *All documents relating to investors and investments in PAI.* See the general objections above. Notwithstanding these objections, documents which are not subject to the general objections and which PAI believes to be responsive to this request are being produced, and are available for inspection at the offices of PAI's counsel herein. If additional documents are located and identified, they will either be produced, or, if withheld based upon a claim of privilege, work product doctrine or otherwise, would be identified by (if known) author, recipient(s), date, title and type of claim.

10. *All documents, including but not limited to, agreements, contracts, arrangements or understandings, relating to work performed or work to be performed by Pendleton C. Waugh, of any kind and to any extent whatsoever, on behalf of PAI.* Documents which are not subject to the general objections and which PAI believes to be responsive to this request are being produced, and are available for inspection at the offices of PAI's counsel herein. PAI is continuing to search for documents responsive to this request. If additional documents are located and identified, they will either be produced, or, if withheld based upon a claim of privilege, work product doctrine or otherwise, would be identified by (if known) author, recipient(s), date, title and type of claim.

11. *All documents relating to compensation or consideration, of any kind and to any extent whatsoever, made, paid or promised to, Pendleton C. Waugh for work or services of any kind and to any extent whatsoever performed by him on behalf of P[C]SI.* PAI, as distinct from PCSI, has no such documents.

12. *All Federal income tax returns filed by PAI, from January 1, 1998, to the present.* There are no such documents; PAI is a wholly-owned subsidiary of PCSI.

13. *All Documents relating to the establishment of annual budgets, business plans, operating expenses, debt financing, and financing generally for PAI for the years 1998 to the present.* Documents which are not subject to the general objections and which PAI believes to be responsive to this request are being produced, and are available for inspection at the offices of PAI's counsel herein. PAI is continuing to search for documents responsive to this request. If additional documents are located and identified, they will either be produced, or, if withheld based upon a claim of privilege, work product doctrine or otherwise, would be identified by (if known) author, recipient(s), date, title and type of claim.

14. *All Documents related to financial accounts with any banks, financial or other institutions, groups, entities or individuals relating to the receipt, distribution, or allocation of PAI's funds.* PAI objects to this request on the grounds that it is irrelevant. The Commission tests the financial qualifications of auction licensees by seeing if they pay for their licenses; PAI paid the Commission for all of its auction licenses.

15 *All documents relating to hiring, firing, or supervision of the employees, officers, independent contractor, or consultants of PAI.* See the general objections above. Also, PAI objects to this request as overbroad and unduly burdensome. Notwithstanding the foregoing, PAI is endeavoring to collect from corporate counsel to PCSI in Texas and produce copies of PAI corporate records pertaining to the election of officers of PAI. Other documents which might be deemed responsive are being produced, and are available for inspection at the offices of PAI's counsel herein. PAI is continuing to search for documents responsive to this request. If

additional documents are located and identified, they will either be produced, or, if withheld based upon a claim of privilege, work product doctrine or otherwise, would be identified by (if known) author, recipient(s), date, title and type of claim.

16. *All documents relating to the planning, preparation, review and filing of the application on FCC Form 175 Application to Participate in an FCC Auction, filed by PAI on July 17, 2000, with the Commission in connection with Auction 34 (File No. 0341843435), and all amendments thereto.* PAI objects to this request as overbroad and unduly burdensome; on its face, this request could pertain to virtually every document ever created pertaining to PAI. Notwithstanding this objection, documents which are not subject to the general objections and which PAI believes to be responsive to this request are being produced, and are available for inspection at the offices of PAI's counsel herein. PAI is continuing to search for documents responsive to this request. If additional documents are located and identified, they will either be produced, or, if withheld based upon a claim of privilege, work product doctrine or otherwise, would be identified by (if known) author, recipient(s), date, title and type of claim.

17. *All Documents relating to the planning, preparation, review and filing of the application on FCC Form 602, FCC Ownership Disclosure Information for the Wireless Telecommunication Services, Schedule for Disclosable Interest Holders, filed by PAI on September 20, 2000, with the Commission in connection with Auction 34 (File No. 0002080932), and all amendments thereto.* See response to request no.16 above.

18. *All Documents related to the planning, preparation, review and filing of the application on FCC Form 601, FCC Application for Wireless Telecommunications Bureau Radio Service Authorization, filed by PAI on September 27, 2000, with the Commission in connection with Auction 34 (File No. 0000222425), and all amendments thereto.* See response to request no.16 above.

19. *All Documents relating to the planning, preparation, review and filing of the application on FCC Form 601, FCC Application for Wireless Telecommunications Bureau*


Radio Service Authorization, filed by PAI on December 14, 2005, with the Commission (File No. 0002408877, et al.), and all amendments thereto. See response to request no.16 above.


20. *All applications filed by or on behalf of PAI with the Commission, but not already referenced in the above Document Requests, and all Documents relating to the planning, preparation, review and filing of such applications. There are no such documents.*

21. *All Documents relating to customers of PAI and/or customers of services provided by PAI. There are no such documents; PAI never claimed to have had any customers.*

Respectfully submitted,

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November 26, 2007

CERTIFICATE OF SERVICE

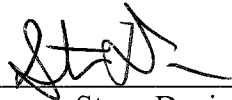
I, Steve Denison, a paralegal at the law firm of Brown, Nietert & Kaufman, Chartered, hereby certify that I have caused a copy of the foregoing **"RESPONSE BY PREFERRED ACQUISITIONS, INC. TO REQUEST FOR PRODUCTION OF DOCUMENTS"** to be sent by electronic mail, this 26th day of November, 2007, to the following:

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